

of 20

THE INDUSTRIAL CONDITIONS OF THE UNITED STATES:



AN ADDRESS

DELIVERED BY

MRS. IMOGENE C. FALES

(PRESIDENT OF THE SOCIOLOGIC SOCIETY OF AMERICA),

→ AT THE

CO-OPERATIVE CONGRESS HELD AT CARLISLE, 1887.

ISSUED BY

THE CENTRAL CO-OPERATIVE BOARD, CITY BUILDINGS, CORPORATION
STREET, MANCHESTER.

334
F184i

INDUSTRIAL CONDITIONS OF THE UNITED STATES.

Appearing as the representative of the Sociologic Society of America, and as a delegate from the Co-operative Board of that society, it is necessary that I should say a few words explanatory of the principles and work of these bodies. If in doing so I deviate somewhat from the established order of these meetings, I ask your forbearance; for although I have come as a humble learner in all that pertains to the propagation and application of co-operative principles, yet I cannot separate the work of bringing co-operation into play from the social conditions that render the movement absolutely necessary. From the time that my thoughts turned in a vague way to co-operation, as something that might afford help to those whose lives were set in darkness, I have followed with growing interest this great movement in England. Gradually as I read, and thought, and studied, the economic and moral issues involved in co-operation became clearer and clearer, and I saw that the principle was not one of many remedies, but was the *only* remedy for the countless evils of social life; that as competition was the cause of the terrible contrast between rich and poor, co-operation was the natural corrective of these conditions. Year after year as the spring has come round, my thoughts have turned to these conferences, and the work of the board, with feelings that cannot be described, for here was the centre of activity, in which the new life of associated interests was taking shape and form. Standing in the presence of those who represent immutable ideas of right, and whose lives are consecrated to the work of making the ideal become the real, there is only one feeling—to reverently follow in the wake of this movement, and strive to imbue others with a similar purpose.

Five years ago the Sociologic Society was formed in the city of New York; the work of the organisation consists in elucidating and propagating the principles of co-operation, and also in showing why those principles should be diffused as widely and rapidly as possible. As the basis of its teachings, the society holds that the present industrial system, which regards labour as a commodity to be purchased in the cheapest market is unjust, and that the wealth derived from the joint action of capital and labour is not equitably distributed. It believes that the measure of reward should be based upon the productiveness of labour, and not upon the law of demand and supply; that competition, while it has produced good in the past, despite the suffering it has occasioned, is now reversing its action, and is militating directly against the progress of society; that the nature of the principle as it works itself out through advancing civilisation, is to break down and destroy weaker industries, and finally to concentrate wealth to such an extent as to injuriously affect the entire industrial and social system, and necessitate the re-organisation of society upon

a co-operative basis. In the Spring of 1886 the Co-operative Board was formed. It is composed chiefly of men engaged in co-operative enterprise. The board is striving to bring into some sort of union the scattered co-operative organisations of the country. It is also publishing a small quarterly sheet, the *Co-operative News* of America. The board is earnestly endeavouring to follow in the path outlined by its predecessor in the movement, and every step taken in England in pursuance of this work, is studied with a view to its reproduction at some future time in the States.

I have alluded to the principles and work of the Sociologic Society, because the principles form the foundation of the work and the motive to its accomplishment. Any one who studies sociologic phenomena knows that we are in the midst of changes which will revolutionise the industrial world. The one great cause of trouble is that labour does not receive the proceeds of its product, it goes into the hands of the capitalists, where it accumulates for further production; while the worker, being unable to purchase what he produces, remains a dead weight upon advancing civilisation. Hence low wages are an evil, yet they are brought about by the great laws of national and international trade, and of supply and demand. As commerce develops, the operative of New York is brought into competition with his rivals in Sheffield, Paris, or Berlin. If tariffs protect him for a while, immigration destroys that protection, and before long the new comer meets him in his own market, and the problem is translated from Europe to the Empire State. The evils in industrial life spring from competition, and not from government or policies. It matters not what may be the system, so long as competition prevails, the evils complained of are certain to remain. And although agitation will not at once change the order of things, it will affect public opinion, and eventually bring along new laws and institutions. We have entered an era of trade, advance is no longer through the sword, but through mercantile activity. The whole force of human intelligence is directed towards the acquisition of wealth, and in this mad struggle, in which conscience plays a wholly subordinate part, there is danger of sudden and disastrous revolution, unless the danger is foreseen and averted.

In national wealth the United States stands foremost among the nations of the world, but as national wealth has increased wages have decreased. From 1860 to 1870 the wealth of the country increased from \$16,000,000,000 to \$24,000,000,000; and in 1880 it amounted to \$43,000,000,000. During the last ten years wages have decreased from an average of a little more than \$400 per annum to an average of a little more than \$300 per annum. The Massachusetts census of 1880 shows that, embracing a period of twenty-one years, from 1861 to 1881, there has been throughout the country a decline of 10 per cent in the purchasing power of wages. That while there was an average increase of wages during that time of $31\frac{1}{2}$ per cent, the increase of prices was $41\frac{1}{2}$ per cent, and that the wage worker in the States is really worse off to-day than he was in 1860. Wealth has become concentrated in a few hands. During the five years between 1875 and 1880, there has been a fall in the remuneration of labour. While the workers in Massachusetts (and this is

p21637

considered indicative of the general condition of the country) increased by upwards of 43,000, and the capital employed by 56 millions, the amount paid in wages remained nearly stationary. The population of the States is estimated at a little over 50 millions; the number of wage earners about 17 millions; they and their families constitute more than nine-tenths of the population. For the year 1880 the workers received in wages a sum representing but three-eighths of the total product, while the capitalist, or employing class, representing less than one-tenth of the population, absorbed over five-eighths of the total production. This will give a faint idea of the extent to which, under the competitive system, wealth is being concentrated.

The disastrous results of this concentration are every day becoming more apparent. The *National Labour Bureau* states that $7\frac{1}{2}$ per cent of all the labour of the country was idle in 1885. In March of that year there were 408 iron furnaces lying idle, and only 259 at work. On the 15th of March in that year *Bradstreet* tabulated and classified the number of strikes then in actual progress. The striking wage-workers numbered 50,000, and during the next ten days 10,000 more were added to these figures. In nearly every instance these men struck for higher wages. The record of the total number of employés striking, and employés locked out in leading lines and centres of industry in 1886, by months, is as follows:—January, 47,200; February, 10,700; March, 50,200; April, 22,000; May, 216,000; June, 16,000; July, 10,700; August, 13,700; September, 3,400; October, 23,500; November, 20,000; December, 10,000. This gives us a total of about 448,000 employés affected. Out of this total 80,000 were locked out. During last February 50,000 men were thrown out of employment by the various strikes consequent upon the action of the coal companies, which, while advancing the price of coal, reduced that of labour. This coal strike cost the workers, directly and indirectly, \$3,000,000, and capital \$4,000,000. In the various industries engaged in by women in tenement houses, wages have fallen, during the last ten years, it is estimated, from 25 to 40 per cent. In the city of New York 200,000 women toil in loathsome rooms sixteen hours daily for fifty or sixty cents a day. "This crowding down of the price of labour," says Commissioner Peck, in his yearly report, "is not so much the result of avarice as it is of competition. The reason of the crowding is found in the simple fact that the labourers are not sufficiently organised to resist the tendency of employers to buy labour cheap. Capital virtually owns labour; it owns all the tools of industry—and prices and wages are fixed by pools, and conferences of all kinds between bodies of men and powerful corporations. It is a wretched mockery to speak of free labour under the competitive system, save as that labour through organisation obtains its freedom.

It is easily seen why capital has this power over labour. The industrial system is regulated by the law of demand and supply. The supply of labour immeasurably exceeds the demand. The natural increase of population, the constantly increasing use of machinery, the employment of child labour and the labour of women, the breaking down of

small industries, and the conversion of employers into employés, all tend to keep the labour market engorged—and its prices tending to the starvation limit; the competition of capitalists reacts upon the workmen and prevents their paying more for labour, than what it costs to keep body and soul together.

The discontent of the working people is deep and general. Yet, knowledge of the remedies for these conditions is not so general. Many look to trade unions as a final corrective of these evils—others to the nationalisation of the land; others, again, to the Government ownership and control of the industries, as well as the land of the country. It is not generally seen that the monopoly of land, although an evil in itself, is yet the result of the competitive system, and that what is needed is not the abrogation, but the extension and development of individual rights, so that the monopoly of land and other forms of monopoly will in time be impossible. It is not recognised that in the growth of civilisation conditions have been evolved that render the continuance of the competitive system an unmixed evil, and that to counteract this evil labour must undergo the same process of organisation that capital has undergone, and that this federation of all the forces of labour is part of the growth of society, and is preliminary to the introduction of a new industrial system. It is not generally recognised that, as the industries of the world are already highly organised, and organised in the interests of capital, the system of profit sharing—with a voice in the administration of business—should be superinduced upon the present wage system; that this would in time make the workers owners of the stock of the concern, and afford them advantages now possessed only by capitalists. Men do not see that capital can be provided, and the cost of living lessened, by instituting distributive co-operation, and that in productive co-operation that portion of the proceeds of labour which is unconsumed can be accumulated for future production. The thinkers of the world must be the brains of the people.

Yet co-operation is rapidly making headway in the United States. The Knights of Labour are starting small stores and enterprises in various directions, and they report an earnest and growing desire to study and practice the principles of profit-sharing and co-operation. The legislature of Massachusetts devoted the greater part of its last session to the consideration of bills regulating the relation of employer and employed. One of these acts looks to the identification of capital and labour by giving employés a direct interest in the earnings of the establishment. Corporations are allowed to issue special stock to the employés, the whole amount of capital issued not to exceed two-fifths of the actual capital of the corporation. These shares cannot be sold or transferred except to an employé or the corporation. At Haverhill, Mass., a co-operative guild has been organised, which combines production and distribution, through co-operation, in the manufacture and sale of boots and shoes. One instance of the manner in which profit-sharing is coming into use in the States may be of interest. The firm of Asa Cushman and Co., Auburn, Me., divides profits with their employés. A fixed amount of interest is paid to the capital invested, the business is controlled by the firm, and three of

the employ  s are kept informed of the progress of the business, and report to all the workmen at the end of the year. The employ  s work at the current market rates, and whatever profits there may be are divided on the basis of the amount of wages paid.

The need of developing co-operative industry in the United States is peculiarly pressing, because the conditions there are such that a crisis in industrial affairs, at no distant day, seems inevitable. On the one side (1) there are the almost boundless resources of the country; the intense business activity of the people, and their idolatrous love of money; their inventive shrewdness which is constantly bringing into use mechanical appliances for the displacement and cheapening of labour; (2) there is the immigration from Europe and Asia which is flooding the country with the most heterogeneous elements of cheap labour. On the other side, there is a great and constantly-growing body of intelligent resolute men, who plainly see that the tendency of the industrial system is to sweep away every vestige of individual rights, and reduce men to a condition infinitely worse than that of slavery, and who are determined to resist this tendency by every means in their power. These hostile forces are arrayed one against the other, and the final struggle for the right adjustment of the relations of capital and labour must come.

When we think of the splendour of our civilisation, and that its magnificence is the result of the combined action of capital and labour, and when we see how capital is enthroned, and is master of all this wealth, and all the comforts that wealth can give, and how labour, the partner in the work of production is disinherited, despoiled of its rights—heir only to poverty, and all the nameless evils that follow in its train—when we see how this competitive system, by the impoverishment of the people, is now reacting upon and threatening to destroy the civilisation it fostered and developed, we can but characterise it as the system of iniquity. Because, competition is organised selfishness, and selfishness, or self-love, is rooted in the very nature of man, it is argued that competition must for ever remain a “natural law,” and govern and destroy human beings. The upholders of the system do not see that the terrible results of competition lead the workers to combine, and that this combination is the first step toward arresting the action of the law. They do not see that the very love of self that produced competition, will in the end, because it is universal, destroy it, and bring in an era of peace, order, and general prosperity.

We cannot argue that because there has always been poverty and class distinctions there necessarily always will be the terrible contrasts between rich and poor that now exist. Nature moves slowly—but she moves. Social institutions are perpetually undergoing modifications; the feudal system is already a thing of the past; and the social transformations that have taken place will of necessity continue. It is useless to say there is no danger in the change now impending. When great strikes sweep across a country, paralysing trade, throwing thousands out of employment, and arraying in deadly hostility capital against labour, we cannot tell what new complications may at any time arise, or what

a day or an hour may bring forth. The competitive system must work its own destruction. Capital that is made by labour cannot always control the force that makes it, for that force has intelligence. There is work to be done, and none but co-operators can do it. They are called to educate the community to a knowledge of the evils and dangers of competition and blessings of co-operation. Their whole economic education qualifies them for the office of teacher; they have grown into a knowledge of principles that men differently educated do not perceive. Mr. Neale eloquently says: "There is urgently needed an effective system of co-operative propaganda to spread the knowledge of its great measure of good among those who have not heard the tidings with a hearing ear, as well as to bring those who have entered upon the path of mutual help, to a right appreciation of the road on which they have entered." To this appeal I fain would add my own—that the principle of co-operation, that trains men in habits of thrift and order, and develops all the higher qualities of their natures; that lessens the cost and increases the means of living; that acts with a double purpose, economic and moral; that brings the golden rule within the realms of everyday life, should be preached as never before. That those who perceive the intrinsic and infinite beauty of the principle should work for its establishment, even though the work entails sacrifice and suffering.

We must remember that men are influenced by their surroundings, and when these surroundings are the result of a social system of marked injustice, the environment is not simply one of wretchedness and poverty, but vice and crime. The injustice which forms part of the very atmosphere reacts upon the man, and develops in him everything that is base and ignoble. The first step towards the production of better men and women is to change the social and industrial environment, and conform to the law of the great Law Giver. Make our neighbour's interests identical with our own. Such a movement would not be in advance of the requirements of society. God's providence moves coincidentally with humanity's needs and growth. And at this time man's reason and active efforts are required to bring about better conditions. For man is endowed with reason. See what it has achieved in the realms of art, philosophy, and applied science; see what it has already done towards the amelioration, enrichment, and refinement of life; see too, just in proportion as we depart from a mere animal existence, and use the royal prerogative of reason, how supremely beautiful life becomes. Shall not the faculty, that crowns and elevates humanity, be applied to the needs, defects, and evils of our industrial system, until the evils disappear, and naught but good remains. Shall we not lend our forces, whatever they may be, to the mighty march of events that is carrying society forward and upwards. For behind and above us are universal influences. There is the stored up energy of past ages, impelling us to action. We are "heirs of the ages," indissolubly bound and connected with the past. The greatness of our civilisation is not of our making. It acts upon, and constrains us to move in the path outlined by those that have gone before, to take up the work of life, and carry it forward to higher conclusions.



3 0112 061618275

8

I make this appeal because the time has come when there should be the strength of united action between the co-operators of different countries. If the boards of England, France, Germany, Italy, and the United States were united in one great international board, they could act upon the business world with an authority and strength that no single board, however strong, could possibly exert.

It may be that I am influenced in making this appeal by the need of the sustaining strength that will come from such an alliance. But beyond my interest in the cause of co-operation in my own country, is the greater interest in the development of the principle into a system throughout the business world. Already are to be seen the small beginnings of that which, under fostering influences, will constitute the new industrial system. As the "folded leaf is woo'd from out the bud," so the new life of associated interests is slowly emerging from the pressure of the competitive system. It is only a question of time, when every trade and branch of industry will be so highly organised that competition will be impossible; out of organisation, productive and distributive co-operation will naturally result. Science, trade, steam, electricity, have merged all business interests into one indivisible system, and all that is necessary to complete the change, and bring in a co-operative civilisation, is a great educational work on the part of co-operators. In the past the evolution of society has largely been the result of unpremeditated action on the part of men; now social growth can have the force of man's intelligent thought to shape and accelerate its movement. Shall not that force be applied? I leave the subject in the hands of those who are the pioneers and advance guard in the cause of co-operation, well assured that their zeal at least equals, and their knowledge far transcends my own.

